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# PRESS RELEASE

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## **KODAK EMPLOYEE CHARGED WITH SCHEME TO DEFRAUD KODAK OF MILLIONS OF DOLLARS**

**RE: UNITED STATES v. MARK CAMARATA**

Michael A. Battle, the United States Attorney for the Western District of New York, announced that Mark S. Camarata, age 42, of 24 Bristol View Lane, Fairport, New York, was charged in a criminal complaint signed by the Honorable Marian W. Payson with mail fraud and money laundering, in violation of Title 18, United States Code, Section 1341, which charges a maximum term of imprisonment of 5 years and/or a \$250,000 fine, and Title 18, United States Code, Section 1956(a)(1), which carries a maximum term of imprisonment of 20 years and/or a fine of the greater of \$500,000 or twice the value of the property involved in the transaction.

Assistant U.S. Attorney Richard A. Resnick, who is handling the case, stated that Mark S. Camarata, an accountant at Kodak in the Corporate Tax Department with the title of Director of State and Local Taxes, has charged been charged with devising and

executing a scheme to defraud Kodak of what Kodak believes to be more than \$4,000,000 during the time period 1999 through the present. The alleged scheme involved Camarata authorizing payments of inflated amounts to Kodak vendors in return for the vendors kicking back and paying a portion of the payments to Camarata.

On April 29, 2005, Kodak security personnel interviewed Camarata. During that interview, Camarata stated the following:

a. At that time Camarata admitted that in the scope of his job with Kodak he would hire/contract vendors to provide services to Kodak.

b. As part of his duties, Camarata was responsible for employing outside businesses to help Kodak lower its tax assessments on properties located throughout the United States. Camarata contracted with American Valuation Services, Inc. ("AVS"), Empire Valuation Services, Inc. ("EVS"), and Durley & Durley LLC ("D&D") to provide the services of attempting to reduce Kodak's tax assessments. AVS and EVS are owned by John Nicolo. D&D is owned by Dale Durley.

c. After AVS, EVS and D&D provided services to Kodak, Camarata authorized the payment of Kodak funds to these companies. Initially, in 1999, John Nicolo, owner of AVS, a vendor used by Kodak and hired by Camarata, gave Camarata \$5,000 in cash after Kodak had paid AVS for services rendered by AVS.

d. Camarata then stated that because he was leery of directly receiving cash payments from AVS, he started a business named Strategic Asset Management. He stated that he used this business to channel the money he received from AVS, EVS and D&D. He stated that he did this by creating false invoices from SAM and submitting these invoices to AVS, EVS and D&D. These entities would then pay amounts on the invoices to SAM, despite the fact that SAM provided no actual services to these entities.

e. Camarata estimated that he received between \$1,500,000 and \$2,000,000 during the years 1999 through the present. Camarata also indicated that he was very sorry for his actions and never intended for this to come about. He went on to apologize to his staff, management and Kodak and signed two statements.

Assistant U.S. Attorney Resnick further stated that on April 29, 2005, Camarata brought the Kodak security personnel to his residence at 24 Bristol View Drive in Fairport, New York. While at the residence, Camarata provided the Kodak security personnel with copies of false invoices from SAM to EVS, AVS and D&D, and with corporate income tax returns for SAM for the years 2000, 2001, 2002 and 2003. The

Kodak security personnel observed Camarata print these documents off his computer. These documents represent evidence of a scheme to defraud and money laundering. Specifically, these documents are evidence of the attempt by Camarata to conceal and launder the proceeds of the scheme, as well as establish the amount of the proceeds received by Camarata during the scheme.

The Kodak personnel also advised that Kodak's records indicate that AVS, EVS and D&D were paid approximately \$9,300,000 during the years at issue. The records provided by Camarata indicate that of this amount, his company, SAM, received more than \$4,000,000.

The investigation is on-going, including whether the property tax assessments for Kodak properties were effected.

**It should be noted that the fact that a defendant has been charged with a crime . . . is merely an accusation and the defendant is presumed innocent until and unless proven guilty.**

The charges were the culmination of an investigation by the Federal Bureau of Investigation, under the direction of Peter Ahearn; the United States Postal Inspection Service, under the direction of Ronald Walker, Postal Inspector in Charge of the New York Division; and the Internal Revenue Service, under the direction of Special Agent in

Charge Anne Marie Coons, Criminal Investigation Division.

An initial appearance is scheduled for later today in front of Magistrate Judge Payson.

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